Roger W. Bailey 1 Joshua J. Busey 2 **BAILEY & BUSEY PLLC** 3 411 N. 2nd Street 4 Yakima, Washington 98901 5 6 Phone: 509.248.4282 7 Facsimile: 509.575.5661 E-Mail: roger.bailey.attorney@gmail.com 8 joshua.busey.attorney@gmail.com 9

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Attorneys for the Debtors-in-Possession

# UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF WASHINGTON

IN RE: Case No. 16-00899
Case No. 16-00900
WAHLUKE PRODUCE, INC., Case No. 16-00898

Case No. 10-00090

Debtor.

DEBTORS' JOINT MOTION FOR
AN ORDER PERMITTING THE
JOINT ADMINISTRATION OF
THESE CASES AND THE USE OF
A CONSOLIDATED MAILING

TATOES, LLC, MATRIX

Debtor.

WITH REQUEST TO SHORTEN

TIME FOR NOTICE AND

OBJECTIONS & REQUEST FOR

EMERGENCY HEARING

COLUMBIA MANUFACTURING,



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411 North 2<sup>nd</sup> St. Yakima, Washington, 98901 (509) 248-4282

INC., dba COLUMBIA ONION	
Debtor.	

Wahluke Produce, Inc. ("Wahluke"), Tatoes, LLC ("Tatoes"), and Columbia Manufacturing, Inc. dba Columbia Onion ("Columbia") jointly move under Federal Rule of Bankruptcy Procedure 1015(b) for an order (a) providing for the joint administration of these cases; and (b) permitting the use of a consolidated mailing matrix. Wahluke, Tatoes, and Columbia may collectively be referred to herein as the "Debtors." This Motion is supported by the records and files herein and the Declaration of Del Christensen.

## I. Background

1. On March 21, 2016, the Debtors each filed a chapter 11 bankruptcy proceeding with the cause numbers referenced in the above caption. Each of the Debtors are continuing in the possession of their property and are operating and managing their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code.



- 2. Wahluke, Tatoes, and Columbia are family run businesses and each is owned 100% by Del and Daneen Christensen, husband and wife ("Christensens"). The Christensens (1) own all outstanding shares of Wahluke and Columbia and make up all of the board of directors of the same; and (2) are the sole members of Tatoes. The Christensens have the sole voting power associated with each of the Debtors.
- 3. Together the Debtors, along with additional family business ventures, comprise a fully integrated farming, packing, storage, and shipping enterprise. Along with this Motion, the Debtors have jointly filed a Motion for an Order (a) Authorizing Emergency & Interim Use of Cash Collateral; (b) Authorizing Final Use of Cash Collateral ("CC Motion"). The CC Motion describes the background and structure of each of the Debtors along with the assets of the Debtors and primary secured creditors of the Debtors. The statements and averments in the CC Motion are fully incorporated in this Motion.

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4. The Debtors are jointly and severally liable to their primary operating lender – Rabo AgriFinance ("Rabo"). At the time of the filing of the bankruptcy petitions, it is estimated that the total debt owed to Rabo was \$22,000,000.00. Each of the Debtors has given Rabo a blanket security interest in all of their assets, including accounts receivable.

#### II. Jurisdiction

5. The Court has jurisdiction over this matter under 28 U.S.C. 157(b) and 1334. This matter is a core proceeding as defined in 28 U.S.C. 157(b)(2)(A) and (O).

### III. Argument

6. Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure, if two or more petitions are pending in the same Court by or against a debtor and an affiliate, the Court may order the joint administration of the cases. Each of the Debtors is wholly owned by the Christensens who have the sole and complete voting power over each of the Debtors.

Accordingly, each of the Debtors is an affiliate of the other, as that term is defined in 11 U.S.C. 101(2). Rule 1015(b) contemplates the joint administration of these cases.

- 7. The relief requested is appropriate because it will benefit the Debtors' estate as stated below:
- a. Based on the integrated relationship of the Debtors and the similarity of their creditors, joint administration will lessen the administrative costs.
- b. The Debtors business operations are closely related and a portion of their general administration and operational expenses are shared.

  Joint administration will provide for efficiency and will eliminate the need for duplicative notices, applications, motions, and orders.
- c. A consolidated matrix will best ensure that notice of the proceedings will be comprehensively provided and will also lessen the administrative burden.
- d. For the sake of clarity and simplicity, the Debtors request that only one Court file and one Court docket be maintained, which file and docket should be the file and docket established for Tatoes.

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e. Creditors and parties in interest will benefit from the reduction in costs, efficiency, clarity, and simplicity provided by the joint administration and other relief outlined herein. The Court and Court staff will be relieved of the burden of entering duplicative orders and maintaining duplicative files. The supervision and administration of these cases by the Office of the US Trustee will be simplified by the joint administration.

#### IV. Conclusion

8. Based on the foregoing, the Debtors respectfully request entry of an Order permitting joint administration, use of a consolidated mailing matrix, and such other relief as is deemed just and proper.

DATED this 2/ day of March, 2016.

ROGER W/BAILEY (WSBA 26121) JOSHUA J BUSEY (WSBA 34312)

Bailey & Busey PLLC

Counsel for the Debtors-in-Possession

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Roger W. Bailey Joshua J. Busey 2 **BAILEY & BUSEY PLLC** 3 411 N. 2nd Street 4 Yakima, Washington 98901 5 6 Phone: 509.248.4282 7 Facsimile: 509.575.5661 roger.bailey.attorney@gmail.com 8 E-Mail: Joshua.busey.attorney@gmail.com 9 10 Attorneys for Debtors 11 12 13 UNITED STATES BANKRUPTCY COURT 14 EASTERN DISTRICT OF WASHINGTON 15 16 IN RE: 17 WAHLUKE PRODUCE, INC., Case No. 16-00899 18 Case No. 16-00900 19 Debtor. Case No. 16-00898 20 21 ORDER FOR JOINT 22 ADMINISTRATION OF THESE IN RE: 23 CASES AND CONSOLIDATING 24 THE MAILING MATRIX TATOES, LLC, 25 26 Debtor. 27 28 IN RE: 29 30 COLUMBIA MANUFACTURING, 31 INC., dba COLUMBIA ONION 32 33

BAILEY BUSEY

ORDER ON JOINT ADMINISTRATION

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- 3. The Motion is hereby granted.
- 4. The Court finds and orders as follows:
- 4.1 Each of the Debtors is an affiliate of the other, as that term is defined in 11 U.S.C. 101(2) and joint administration of these cases is authorized by 1015(b) of the Federal Rules of Bankruptcy Procedure.
- 4.2 The bankruptcy cases of the Debtors shall be jointly administered and one Court file and one Court docket shall be maintained for the jointly administered estates of the Debtors. This one Court file and docket shall be the file and docket established for Tatoes, LLC.
- 4.3 A consolidated mailing matrix will be created from the mailing matrix for each of the bankruptcy cases for the separate Debtors.

  After creation, the consolidated matrix shall be kept in the file and docket established for Tatoes, LLC.

Presented By:

ROGER W. BAILEY (WSBA 26121) JOSHUA J. BUSEY (WSBA 34312)

Bailey & Busey PLLC Counsel for the Debtors

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